

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6700

BILL NUMBER: SB 196

NOTE PREPARED: Jan 1, 2008

BILL AMENDED:

SUBJECT: Local Government Matters.

FIRST AUTHOR: Sen. Ford

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a political subdivision may not make a payment to a vendor for assessment-related software unless the Department of Local Government Finance has certified the software. It also provides that a check issued by a county for a refund of the additional 2007 homestead credit is void if the check is: (1) outstanding and unpaid for 180 days after it is issued; and (2) for an amount that is not more than \$10.

Effective Date: January 1, 2008 (retroactive); Upon passage.

Explanation of State Expenditures: *Payments to Vendors:* Under current law counties may only contract for computer services and vendors that have been certified by the Department of Local Government Finance (DLGF). This bill strengthens the current law by prohibiting all political subdivisions from making payments to computer vendors for software specifically related to the assessment or reassessment of property unless the DLGF has first certified the software.

Explanation of State Revenues: *Outstanding warrants:* Under current law, all warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two or more years as of the last day of December of each year are considered void and may not be accepted by financial institutions. Under this provision, property taxpayers who receive refunds of \$10 or less of a portion of their 2007 property taxes have 180 days from the day the check is issued to cash or deposit the check. If they fail to do so, the check becomes void and the county treasurer shall pay the amount of the check to the State Treasurer for deposit into the Property Tax Reduction Trust Fund. This would probably increase the amount deposited into this fund. This provision expires on January 1, 2010.

An analysis of parcel-level data indicates that approximately one percent (17,000) of all refund checks would

be \$10 or less. This represents a total amount of approximately \$80,500.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DLGF, State Treasurer.

Local Agencies Affected: County treasurers.

Information Sources: OFMA Property Tax Database, DLGF.

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